

AMERICAN SECURITY ISSUES FOR 1977
Elements of American Security Policy
"The Function of Intelligence"

A. Issue

It is essential for the United States to decide within the next two years whether it needs a central intelligence coordination system and, if so, what kind. Many months of press and TV criticisms, exposés of alleged wrongdoing and revelations of official investigations have brought the Central Intelligence Agency (CIA) into public and Congressional disrepute. The effectiveness of the whole central system for collecting and analyzing foreign intelligence has been drastically reduced. CIA and the entire community of agencies it coordinates are slowly being sliced to death by charges, many of them exaggerated or unfounded, which are destroying the credibility of American intelligence both at home and abroad. The more passionate hostile commentators have called for the abolition of CIA while others suggest eliminating some parts of the system and abolishing others. In the sour Washington political climate left over from the Watergate crisis, the worst seems always to be suspected of government. Congress and public are understandably confused and uneasy. A clear finding must soon be reached on what to do about the system for satisfying the intelligence needs of the nation or the system will collapse.

B. Background

Prior to World War II, the United States never had a peacetime intelligence system worthy of the name. George Washington personally supervised espionage during the American Revolution, and every time this country became involved in military hostilities it improvised some sort of temporary intelligence program. Between wars support always waned for costly, secret activities.

The Pearl Harbor attack found this country virtually naked. The cryptanalysis staffs in the Army and Navy were small and there was no effective coordination of their work with the State Department's foreign service analysts. The FBI worried only about subversion and sabotage. There was nothing else in operation. The bits and pieces of information that might have tipped off the Japanese attack in advance never got put together in the right places at the right time. The elaborate Congressional inquiry on Pearl Harbor at the end of the war provided a fine case history on the inadequacy of the U.S. peacetime intelligence system in 1941 as well as the lack of a peacetime machinery for decision-making in national security affairs.¹

In 1945, political confusion and interagency squabbling in Washington caused the wartime structure of intelligence agencies to fall apart, particularly the Office of Strategic

¹U.S. Congress, Report of the Joint Committee on the Investigation of the Pearl Harbor Attack, Washington, 1946 and Wohlstetter, Roberta, Pearl Harbor: Signal and Decision, 1962.

Services (OSS), which had marked out a central coordinating role for itself in peacetime but failed to get the concept approved. It is impressive, however, that the function of a coordinating central agency was so clearly articulated by "Wild Bill" Donovan, the head of OSS, from the very beginning of his work in intelligence. His ~~first~~ directive from President Roosevelt in 1941, even before Pearl Harbor and the establishment of OSS, authorized him:

to collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and officials of the Government as the President may determine; and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government.

This central concept carried over into the legislation which finally established the first American peacetime intelligence structure, the National Security Act of 1947. One of the truly creative innovations in the American governing process in our time, this Act established the National Security Council (NSC) under the chairmanship of the President, with the Secretary of State and the Secretary of Defense as key members. A crucial element in this structure was the provision that the Joint Chiefs of Staff report directly to the NSC on military policy and that the Central Intelligence Agency report

¹Order Designating a Coordination of Information, The White House, July 11, 1941.

directly to the NSC on foreign situations, trends, threats, and opportunities.

Truman considered the building of the NSC system one of his great accomplishments, and Eisenhower used it systematically. Kennedy streamlined its staff and its procedures but maintained the essentials of the NSC system as established in the preceding decade.¹

The provisions of the National Security Act defending the functions of CIA read as follows:

For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council--

(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities. Provided, That the Agency shall have no police, subpoena, law-enforcement powers, or internal security functions: Provided further. That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: And provided further. That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

(4) to perform for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

This description of duties is very broadly phrased, deliberately so, and calculated to make CIA an instrument of the President and his National Security Council advisers. CIA was plainly intended to be the central mechanism for insuring that all intelligence collecting agencies worked sensibly together, sharing tasks according to capability and need, and also for putting all the pieces together in an analytical whole for the benefit of the NSC and the President.

While the law does not mention espionage, it was clearly understood by the architects of this new intelligence community that extraordinary measures would be taken secretly to get information that was deliberately concealed by foreign nations, particularly by the Soviet Union where virtually all facts are considered military secrets. The National Security Council took advantage of the elastic subclause (5) in the law to "direct" (in a formal NSC Directive) CIA to conduct clandestine foreign intelligence collection activities and be responsible for foreign counter-intelligence and counter-espionage. These latter tasks involve collecting information about what the Soviet secret intelligence services and any other foreign intelligence agencies are doing and how to prevent them from harming U. S. interests.

In addition, from time to time, the NSC, i.e., the President, has directed CIA to carry out covert actions intended to support moderate groups favorable to friendly relations with the United States and resist Soviet efforts through the

KGB, their foreign political intelligence action agency, to subvert parliamentary and electoral processes in order to establish pro-Soviet regimes.

To carry out its responsibilities, the CIA has been obliged to do a number of things inside the United States. Their purpose was initially entirely oriented toward managing intelligence operations abroad, involving such tasks as recruiting and training personnel, providing cover positions for them in US institutions with foreign facilities, establishing appropriate communications with its agents, caring for defectors from foreign intelligence agencies who settle in the United States, and collecting on a confidential basis useful information gathered in an overt, legal manner by Americans living or travelling abroad. Finally, because of the statutory injunction on "protecting intelligence sources and methods," CIA has monitored the security of intelligence installations, operations and personnel, including checking on the loyalty of the latter to intelligence regulations. All of these things involve taking actions inside the domestic confines of the United States.

The CIA is not and never was intended to exercise police powers in the style of the Gestapo or KGB. The law setting it up expressly prohibited CIA from having "police, subpoena, law-enforcement powers or internal security functions." Every intelligence officer of any standing and experience

was sternly indoctrinated to the effect that only the FBI (Federal Bureau of Investigation) operated in the domestic arena, not CIA, with the exceptions of overt and managerial tasks of the kind mentioned above.

In December 1974 one of the great metropolitan newspapers started a major publicity campaign charging that CIA, in violation of its "charter," conducted a "massive" illegal domestic intelligence operation against the anti-war movement and other anti-government dissident groups. Since then a Presidential Commission headed by Vice President Rockefeller has issued a report on these charges.¹ At the same time Congress has launched two separate investigations of CIA, one in the Senate and one in the House, to look into every aspect of intelligence work. These show signs of going on for a long time and seem to be oriented mainly toward critiquing [redacted]

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In the meantime a separate prestigious Commission on the Organization of the Government for the Conduct of Foreign Policy, chaired by Ambassador Robert D. Murphy, has issued a report with a section on intelligence which stresses the importance for effective foreign policy of "intelligence capabilities of the highest competence."²

¹ Report to the President by the Commission on CIA Activities Within the United States, June 1975.

² Report by the Commission on the Organization of the Government for the Conduct of Foreign Policy, June 1975, p. 9.

C. Urgency

Recent criticisms, innuendos and total condemnations of the US intelligence system have constituted the big TV and press sensation of the past year. Fantasists and fabricators have had their days in the limelight. On the domestic operations side of the attacks on CIA, the Rockefeller Commission reported that:

A detailed analysis of the facts has convinced the Commission that the great majority of the CIA's domestic activities comply with its statutory authority.

Nevertheless, over the 28 years of its history, the CIA has engaged in some activities that should be criticized and not permitted to happen again - both in light of the limits imposed on the Agency by law and as a matter of public policy.

Some of these activities were initiated or ordered by Presidents, either directly or indirectly.

Some of them fall within the doubtful area between responsibilities delegated to the CIA by Congress and the National Security Council on the one hand and activities specifically prohibited to the Agency on the other.

Some of them were plainly unlawful and constituted improper invasions upon the rights of Americans. (p. 10)

The Commission recommended a number of statutory and administrative correctives to prevent repetitions of the improper acts. It pointed out that the role of secret intelligence work in an open society is difficult to define, especially, ^{since} individual liberties are safe only in a society that has adequate information to protect itself "against external aggression and internal subversion." (p. 5) The

Commission put the dilemma thus:

Individual freedoms and privacy are fundamental in our society. Constitutional government must be maintained. An effective and efficient intelligence system is necessary; and to be effective, many of its activities must be conducted in secrecy . . .

The preservation of the United States requires an effective intelligence capability, but the preservation of individual liberties within the United States requires limitations or restrictions on gathering of intelligence. The drawing of reasonable lines - where legitimate intelligence needs end and erosion of Constitutional government begins - is difficult . . .

In the final analysis, public safety and individual liberty sustain each other. (p. 5)

It was to be hoped that the disclosures in the Rockefeller Commission Report would permit an enlightened Congressional discussion on just what kind of intelligence system is needed in the United States to deal with its security and foreign relations in a world of conflict and turbulence. Inevitably, perhaps, subsequent discussion has focused on the specific instances where CIA clearly overstepped the bounds of propriety or legality in its 28 years of existence.

The prolongation of the Congressional inquiries means that CIA and to a certain extent the other intelligence agencies associated with it are grinding down to a low speed and in some areas a complete halt. Foreign governments which used to supply invaluable supplementary data relating to US security and foreign agents who used to risk their lives in

espionage are breaking off or limiting their connections with US intelligence because they doubt secrecy can be preserved in the Washington world of investigations and leaks. Morale in most parts of the CIA is low because of the uproar, much of it out of proportion to the facts, and even the scholarly analytical and estimative components of the intelligence system are meeting public hostility out of confusion between overt and clandestine functions. Many experienced intelligence agents fear that the CIA operational capability will be completely destroyed if this trend persists. Certainly the maintenance of high-class, experienced talent in all parts of the intelligence community will become next-to-impossible unless a consensus forms between the President and Congress on what kind of intelligence work is essential and this view is conveyed persuasively to the people of the United States. This process is unlikely to be completed soon and, even if a solution is worked out in 1976, it must be confirmed by whatever Administration and Congressional leadership is in office in 1977. If the problem is not solved promptly in 1977 it will become academic, because the United States will not have a peacetime coordinating system for intelligence in a world that is at least as dangerous as it was in 1941 and a great deal more complicated to observe and understand.

D. Policy Alternatives

I. The simplest alternative that could be adopted to

resolve the unsatisfactory state of affairs concerning intelligence is to abolish CIA or let it die a natural death of budgetary malnutrition or starvation due to inability to hold good personnel. A number of young journalists have proposed abolition on the grounds that foreign dangers are either non-existent or unimportant while secrecy is incompatible with freedom and entering into clandestine conflicts abroad is incompatible with morality. Political optimists find covert actions to shore up the center and democratic left in friendly states being swept along toward Communist-dominated one-party dictatorships damaging to detente. Neo-isolations find them costly and entangling. All could be settled if the United States could return to the atmosphere of the interwar 1920 - 1930 years of neutrality, peace pacts, disarmament and gentlemen not reading other people's mail - as Secretary of State Stimson ^{later he thought} said when he closed out the US cryptanalytic effort in the early 1930's.

The trouble is that at least some conflict in international affairs is endemic, both Moscow and Peking say it will continue indefinitely despite detente, and even the disarmament pact enthusiasts want to know whether agreements are being violated. Some kind of central coordinating system seems to be required for monitoring disarmament performance and compliance alone.

Furthermore, foreign intrusions into the privacy and

security of American citizens continues on a large scale. Soviet, Chinese, Polish, Czech, East German and Cuban intelligence agencies work diligently in the United States as well as in the territories of the principal US allies. The Rockefeller Commission felt obliged, in order to create some perspective in which to view CIA's activities, to comment on this intrusion:

This Commission is devoted to analyzing the domestic activities of the CIA in the interest of protecting the privacy and security rights of American citizens. But we cannot ignore the invasion of the privacy and security rights of Americans by foreign countries or their agents. This is the other side of the coin - it merits attention here in the interest of perspective.

Witnesses with responsibilities for counterintelligence have told the Commission that the United States remains the principle intelligence target of the communist bloc.

The communists invest large sums of money, personnel and sophisticated technology in collecting information - within the United States - on our military capabilities, our weapons systems, our defense structure and our social divisions. The communists seek to penetrate our intelligence services, to compromise our law enforcement agencies and to recruit as their agents United States citizens holding sensitive government and industry jobs. In addition, it is a common practice in communist bloc countries to inspect and open mail coming from or going to the United States.

In an open society such as ours, the intelligence opportunities for our adversaries are immeasurably greater than they are for us in their closed societies. Our society must remain an open one, with our traditional freedoms unimpaired. But

when the intelligence activities of other countries are flourishing in the free environment we afford them, it is all the more essential that the foreign intelligence activities of the CIA and our other intelligence agencies, as well as the domestic counterintelligence activities of the FBI, be given the support necessary to protect our national security and to shield the privacy and rights of American citizens from foreign intrusion. (p. 7)

It is hard to accept the idea that these hostile intelligence activities should go unimpeded. If they are to be monitored and if possible circumscribed, it is clear that an internal security service like the FBI is needed and that it can operate effectively only with the benefit of tipoffs, leads and solid identifications from counterespionage abroad. Looking for agents who are planning to infiltrate the United States is easier and safer than digging them out once under cover here. Sophisticated counterespionage requires great secrecy, excellent liaison with foreign governments and highly motivated agents. CIA has had all these in the past. Another agency would take years to build capacities that are now in jeopardy. If the FBI were given a charter to operate abroad the United States would have turned to the KGB-like solution, whereby a secret intelligence agency operating overseas would have police powers at home. Civil libertarians would really have something to scream about.

Finally, if CIA were abolished or allowed to wither on the vine as it is now doing, the remaining intelligence and

analysis capability would exist in the State Department, where commitment to current foreign policies makes it hard to criticize diplomatic progress forthrightly on the basis of new intelligence, and in the Defense Department, where estimates of foreign military threats tend to be magnified lest US budgets be reduced. The analytical and estimative record of the triad of CIA, State and Defense expert analytical staffs has not been perfect but it has been good. It developed techniques of estimating Soviet and Chinese military strength so reliable since about 1960 that our entire strategic plans and security system are based on these findings, as well as arms limitation understandings. Much of the reliability and objectivity of this sophisticated analytical machine derives from the planned redundancy of research by intelligence officers reflecting a foreign policy point of view, a military point of view and - in CIA - no viewpoint whatever except reflecting the best evidence available from all secret and open sources. This system of checks and balances in research and analysis at its peak performance provided the US Government with the most competent, honest and objective intelligence reports produced anywhere in the world.

II. The second alternative is to let CIA and the other agencies in the intelligence community weather the storm and pull themselves together as best they can whenever Congress and the public lose interest in the romantic details

of clandestine practices now titillating them. In effect something close to this alternative is what the Rockefeller Commission recommended. It recommended improved Congressional oversight in the form of a Joint Committee on Intelligence, express legislative provision that all CIA's activities must be related to foreign intelligence, Presidential instructions clarifying the guidelines for domestic activities -- to include counterintelligence and counterespionage when properly coordinated with the FBI, and appointment of a man "of stature, independence and integrity" as Director of CIA, ~~had~~ a long list of administrative devices to insure that the intelligence agencies complied with injunctions to avoid improper and illegal domestic activities.¹

These recommendations are all good ones and in most cases will improve CIA performance or at least make CIA performance more demonstrably dedicated to its foreign intelligence tasks. The objection to this alternative is that it does not eliminate the damage done to CIA's prestige, credibility, and public esteem. In the full perspective of CIA's millions of actions over 28 years, the specific instances of illegal or unwise intrusions into domestic security are comparatively few and easily corrected. What is needed is Congressional and public confidence that what the CIA is doing in its proper role is sensibly planned and effectively carried out.

¹ Rockefeller Commission, Chapter 3.

III. The third and preferable alternative is to adopt the major recommendations of the Rockefeller Commission but to go farther in reorganizing the basic components of the US intelligence community in a fashion comprehensible to serious-minded observers in Congress, the news media and the public. Some of the ideas in the Murphy Commission Report should be picked up and promoted. At some point in the next year the Congressional inquiries should be definitively closed down since they have already exposed everything that needs exposing and are doing irreparable damage to CIA intelligence operations. The Ford Administration should develop a plan emphasizing the positive intelligence needs of the nation and organizing appropriate elements of CIA and the rest of the intelligence community to concentrate on these hard tasks rather than devoting energies to fending off criticisms. This plan probably cannot be finally approved and new legislation passed until 1977, but every effort should be made to educate and inform everybody about what a good central intelligence system should do and what it should not do. My recommendations would run along the following lines:

1. The crucial task in CIA and the other elements of the intelligence community is to make objective analytical studies of world trends in strategic relationships and foreign affairs in support of national de-

cision-making in the United States. This work contributing to an enlightened, sophisticated international outlook for American policy-makers must go on.

2. To preserve this essential function and maintain a professional staff adequate to the nation's needs, we should now establish by law an Institute of Foreign Affairs Research (IFAR) with a Director who is by training a scholar in the social sciences, preferably one who also has wide experience in government. IFAR should exercise operational and budgetary control over the analytical elements of all intelligence agencies, no matter where -- in State and Defense, mainly -- they are physically located.

3. IFAR would establish requirements for intelligence collection by agencies not under the operational command of the Director, IFAR, but subject to tasking by him.

4. IFAR would prepare current intelligence reports and strategic estimates for the NSC and other Executive Branch officials as CIA does now, and it would in addition prepare reports for whatever Joint Committee of Congress that emerges from the present controversy over Congressional oversight of intelligence. It should also be instructed to make as much of its findings as possible available for public use.

5. Other agencies of government should not duplicate IFAR facilities as such, although all the agencies represented in the intelligence community would probably set up small liaison and coordination staffs. In Defense, DIA would continue to operate the Attaché system and provide the intelligence link between the Joint Chiefs of Staff and the individual service staffs at headquarters and overseas command levels. For national research and analysis the Secretary of Defense and the Secretary of State should rely upon IFAR, including its military component in what is now DIA.

6. The rest of the intelligence community would consist of collection services tasked for intelligence purposes by IFAR through the NSC. These collection services would include the present signals and reconnaissance organizations under Defense administration and supervision.

7. The policy guidance and coordination of the intelligence community agencies thus organized and tasked would be worked out in a Cabinet level National Security Intelligence Committee (NSIC), which should subsume the responsibilities and duties of the 40 Committee, now largely anachronistic because no important covert political or paramilitary operations are feasible in the present Washington climate. The membership of the NSIC should include the Director, IFAR

and the present membership of the NSC Intelligence Committee, which should be deactivated.

8. The President should appoint a Chairman and Coordinator ^(of the NSIC Cabinet) ~~of Intelligence Programs~~ for the NSC at the cabinet level of rank with responsibility for budgetary control and policy supervision of the entire intelligence community. His staff should be small and should be set up in the White House.

9. Clandestine collection activities would have to be authorized by NSIC and carried out in response to IFAR intelligence requirements and priorities. Opera-

tional responsibility and control would be exercised by a small professional staff set up ^{to operate directly under the authority of} ~~at~~ the White

House, working closely with the State Department, the Defense Department and the Institute for Foreign Affairs Research. This staff would assign collection tasks to special groups to be set up in various Departments represented on NSC for designated program purposes. These programs would be limited in number and the special groups would be specifically tasked to procure information not available from all the other sources available to IFAR. They would change in title and area of responsibility from time to time in accordance with directives evolved under NSIC-IFAR procedures. The aim would be to deflect and diffuse public and journalistic curiosity by scattering these clandestine units widely. This is a

costly and administratively wasteful system of doing business, but essential secrecy could be maintained.

10. The Chairman, NSIC would be responsible for reviewing at Cabinet level on behalf of the President all proposals for covert action abroad. No permanent organization for covert political and paramilitary actions would be established. Programs of support to groups abroad whose existence is vital to US security and foreign policy aims should be small, exceptional and carried out covertly only when the President makes a formal finding that secret rather than open support is essential to success.

11. Congressional oversight of this whole intelligence structure and program would be exercised by a Joint Committee of the Congress. The Joint Committee would establish procedures whereby it would receive restricted data reports from NSIC on policies governing intelligence programs and operations and receive restricted data briefings by the Director of IFAR on the effectiveness of the intelligence programs and the information deriving from them. The Committee would have to establish rules to protect the security of information provided by the NSIC and IFAR.

12. The Joint Committee of the Congress would hold closed hearings on a single program budget for intelligence to be presented by the Chairman, NSIC annually.

and supported in substantive terms by the Director, IFAR. Its findings and recommendations would be made available with adequate provisions for secrecy to the Chairmen and ranking minority members of the Senate Finance Committee, the House Appropriations Committee, the Senate and House Armed Services Committees, the Senate Committee on Foreign Relations and the House Committee on International Relations.

E. Conclusion

The complexities and conflicts that are almost inevitable in the 1970's and 1980's require a resolution of the issue of what kind of intelligence system the United States needs on lines comparable to the sophisticated intelligence community sketched in above. The Ford Administration in 1976 and the incumbent Administration of 1977, whatever it may be, owes the nation a full and patient explication of what the world situation demands. With a careful explanation of the checks-and-balances outlined as alternative three, the administrative prohibitions and guidelines recommended under alternative two would be adequate to guarantee public and Congress against serious illegal or harmful action in the domestic security area where civil rights are involved. The issue of the proper function of a central coordinating intelligence system can best be settled in this way. The United States would have the intelligence shield which protects its security and international interests.

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Congress

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President

NSC

(A) Cabinet Coordinator of Intelligence Programs (CIP)
(Including Budget)

(B) Chief, Institute of Foreign Affairs Research

(C) Chief, Clandestine Collection Services



Reconnaissance Ops
Signal Intercept Ops
Foreign Service Reporting
Services of Common Concern

Miscellaneous Intc Ops
of All Cabinet Departments

Last 4 pages of article on
"Functions of Intelligence"